

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

REVIEW REPORT
OF
INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY
STATE OF INDIANA
May 1, 2002 to April 30, 2004

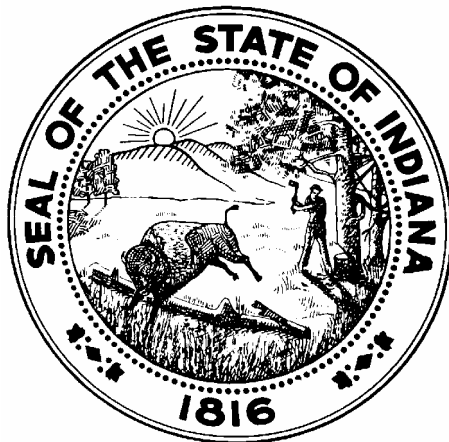


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AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Commissioner, Indiana Department of Correction	Ms. Evelyn Ridley – Turner	02-01-01 to 01-10-05
Superintendent	Mr. Kevin Moore	05-01-01 to 06-30-05



STATE OF INDIANA

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY

We have reviewed the receipts, disbursements, and assets of the Indianapolis Juvenile Correctional Facility for the period of May 1, 2001, to April 30, 2004. Indianapolis Juvenile Correctional Facility's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the Indianapolis Juvenile Correctional Facility are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations except as stated in the review comments.

STATE BOARD OF ACCOUNTS

June 8, 2004

INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY
REVIEW COMMENTS
April 30, 2004

RECREATION FUND FINANCIAL STATEMENTS

The Indianapolis Juvenile Correctional Facility did not properly complete the monthly financial statements for the Recreation Fund. We noted that donations made to the Indianapolis Juvenile Correctional Facility were not included as a part of the Recreation Fund and therefore were not included in the monthly financial statements.

Sources of the Recreation Fund include gifts to the fund. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 13)

Institutions should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 13)

Each institution should file monthly financial statements of its local fund with the state agency having administrative control over the institution. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 13)

RECREATION FUND DOCUMENTATION

The Indianapolis Juvenile Correctional Facility does not maintain proper documentation for Recreation Fund disbursements. Many purchases did not contain a purpose for the disbursement or a check number. Also, some disbursements did not contain a vendor invoice.

Each Recreation Fund disbursement should be documented with the purpose for the disbursement, person and department requesting the purchase, date requested, date paid, amount of payment, check number, written approval of the superintendent or designee, vendor invoice, and verification that the goods were received. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 13)

INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY
REVIEW COMMENTS
April 30, 2004
(Continued)

TRUST FUND NEGATIVE ACCOUNTS

The Indianapolis Juvenile Correctional Facility has six Trust Fund accounts with a negative balance creating a shortage in the fund \$162.91. This was the result of an error made by employees. Six offenders were not charged for their commissary orders prior to their release from the facility.

Per IC 4-24-6-9, such losses must be covered by a general blanket performance bond or crime insurance policy. If the facility is unable to collect from the bond, it should try to receive reimbursement from the responsible offender. If all efforts fail, then the agency may try to receive reimbursement from the institution's operating account.

FIXED ASSET INVENTORY

As stated in the prior six Audit Reports, most recently B16674 and B11493, the fixed asset inventory of the Indianapolis Juvenile Correctional Facility is not complete as to additions and retirements and assets have not been consistently tagged upon receipt.

Each state agency is required to report to the Auditor of State all additions and retirements of assets with a cost of \$20,000 or more. Assets costing more than \$500 but less than \$20,000 must be maintained on an asset control system at the agency. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 10)

Assets at the minimum level of \$500 must be tagged. Assets should be tagged upon receipt. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 10)

INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY
EXIT CONFERENCE

The contents of this report were discussed on July 27, 2004, with Mr. Kevin Moore, Superintendent. The official response to the audit findings has been made a part of this report and may be found on Pages 7 and 8.



STATE OF INDIANA

DEPARTMENT OF CORRECTION

INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY
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Indianapolis Juvenile Correctional Facility

Response to Board of Accounts

Review Report

May 1, 2001 to April 30, 2004

Following is the response of the Indianapolis Juvenile Correctional Facility to the review comments listed in the report:

RECREATION FUND FINANCIAL STATEMENTS

Response: This comment refers to the maintenance of a separate "Facility Youth Projects/Small Grants" account. This account is used for receipts and disbursements of small one-time "grants" or donations for specific projects. The bank statement and ledger of this account are reconciled on a monthly basis.

Our "Recreation Account" bank account is reconciled monthly and a financial statement is submitted to the Department of Correction central office.

Based on the recommendation, we will combine reports for these two accounts beginning with the July reconciliation.

RECREATION FUND DOCUMENTATION

Response: Beginning immediately, any request for recreation fund expenditures which does not have a purpose for the disbursement, the person and department requesting the purchase, and the date requested will be returned to the requestor for completion. The noted disbursements that did not contain a vendor invoice were from 2001. Under current procedures, all disbursements must have an invoice or receipt, which is attached to the request. The invoice/receipt is stamped "PAID" with the check number and the date paid. In addition, the check number, date, and amount paid is written on the Request for Recreation Fund Purchase. In a spot-check of FY03-04 records, all receipts/invoices were stamped and most Requests for Recreation Fund Purchase had the check number, amount, and date paid. Approval of the superintendent or designee (assistant superintendent or business administrator) is required prior to a purchase being made.

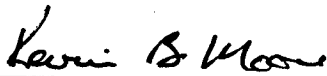
Whenever goods are received the receiving staff initials and dates the Request prior to a check being issued.

TRUST FUND NEGATIVE ACCOUNTS

All of the negative accounts are from 2001. As recommended, a letter will be sent to the last-known address of the offenders in an attempt to collect the negative amounts. If that is unsuccessful, IJCF will attempt to collect from a blanket bond, then from the facility's operating account.

FIXED ASSET INVENTORY

In late 2003, an account clerk was assigned to complete and maintain a fixed assets inventory, including reporting to the Auditor of State's Office. A complete physical inventory conducted and items were tagged and recorded. Due to injury of the payroll clerk, that account clerk assumed payroll and benefit administration duties so was unable to continue with the fixed asset inventory. A committee will be appointed each month to audit a portion of the fixed assets. This will assure that a complete audit is conducted twice annually. Also, the asset coordinator will be notified whenever a qualifying asset is received so it can be tagged and recorded before being placed into service.



Kevin B. Moore, Superintendent
Indianapolis Juvenile Correctional Facility



Date